

TO THE HONORABLE W. W. HEATH, SECRETARY OF STATE, CAPITOL:

I herewith hand you H. B. No. 949 to be deposited in your office in accordance with the Constitution, which bill I have this day disapproved and vetoed. My objection to this bill is that it seeks to amend and change Article 7105 as amended in H. B. No. 154 known as the Daniels Tax Bill. Said Daniels Tax Bill carries a provision for a tax on the intangible values of oil production and said bill has already been signed by me more than thirty days ago.

In order to get revenue I sent a special message to the Legislature submitting the question of a tax upon intangible values of all corporations not paying a gross production tax. I was assured that if I would advocate this tax that same would be passed by the Legislature and from it the State would receive additional revenue with which to run the schools and support the State Government.

But for reasons best known to themselves the Legislature did not pass such a law, but did pass this H. B. No. 949 now before me, amending the Tax Bill already passed in H. B. No. 154 (the Daniels Bill) and only provided for a tax on intangible values of oil pipe lines. All other corporations were exempted from the tax including even the gas pipe lines. Under the Constitution taxes are supposed to be equal and uniform and no one business or industry should be taxed to the exclusion of other corporations doing business in different lines. While I have advocated to the Legislature, and through the Daniels Bill No. 154 which I approved, the highest tax rate ever levied by any administration on the oil business, yet I do not think that all the taxes should be levied on this industry and let other corporations go free. By the increased tax which we have placed upon the oil business in the Daniels Bill No. 154, the oil

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industry will pay more than one-half of all taxes levied by the State Government. Therefore, if this bill were approved, it would be so grossly unfair and inequitable that the courts would promptly declare it unconstitutional and we would lose the tax which will accrue under the Daniels Bill No. 154 and be free of the conflict between that bill and this Bill No. 949 now before me.

It is unfortunate that every bill passed since the passage of the Daniels Tax Bill carries conflicting provisions with that bill to such an extent as to put the collection of the tax in jeopardy by the conflict appearing in the face of the bills. Therefore, I have this day disapproved and vetoed the last penalty bill and I have likewise disapproved and vetoed this bill in order that the collection of the tax so much needed by the State from the oil companies will not be put in jeopardy any more than possible. This tax law providing for the collection of this Ten Million Dollars is a continuous law and it means so much towards relieving the tax burden that we had better forego whatever prosecutions might be instituted in the next seventy days for violation of the proration laws than to take any chances on the tax law being declared unconstitutional because of conflict with other laws.

Done at Austin, Texas, this the 20th day of June, A. D.
1933.

Miranda A. Ferguson
Governor of Texas